

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7094

BILL NUMBER: SB 352

NOTE PREPARED: Mar 22, 2005

BILL AMENDED: Feb 3, 2005

SUBJECT: Unsafe Premises.

FIRST AUTHOR: Sen. Broden

FIRST SPONSOR: Rep. Becker

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that for purposes of the Unsafe Building Law, a tract of real property that does not contain a building or structure, not including land used for production agriculture, is an unsafe premises if the tract is a fire hazard, a hazard to public health, a public nuisance, or dangerous to a person or property.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: *Penalty Provision:* Because the bill includes additional types of property that may be deemed as unsafe premises, the potential for violations of orders issued under the Unsafe Building Law is increased. Violating an order under this law is a Class C infraction. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Court Fee Revenue: The enforcement authority may bring civil action against the property owner. If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: (Revised) This bill expands the definition of an unsafe premises, for the purposes of the Unsafe Building Law, to include tracts of real property that are hazardous or dangerous but

do not contain a building or structure. Adding certain types of property that may be deemed as an unsafe premises could potentially increase the need for enforcement authorities to issue orders. The bill does not include land used for production agriculture.

The Unsafe Building Law affects the city of Indianapolis and any other municipality or county that chooses to adopt the law by ordinance. In the affected units, an enforcement authority issues orders requiring the owners of unsafe premises to address the property's hazardous or dangerous conditions. In Indianapolis, the Division of Development Services acts as the enforcement authority.

The enforcement authority is responsible for issuing a notice of the order and recording the order with the county recorder. Depending on the type of hazardous or dangerous condition, a hearing may be required at which a hearing authority may make findings and take action to affirm, rescind, or modify the order. If a property's conditions are not addressed, the enforcement authority may take action itself or contract out a cleanup effort.

Explanation of Local Revenues: The enforcement authority may charge the owner of the unsafe premises for the actual cost of the cleanup and for technical, legal and administrative, costs, including the cost of issuing the order and notice. The hearing authority may impose a civil penalty of up to \$5,000 if it finds that an owner willfully failed to comply with an order.

Revenue received from such penalties and recovered costs from cleanup efforts are deposited in the municipality's or county's unsafe building fund. Money in the fund is used to administer the Unsafe Building Law.

Penalty Provision: If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

Court Fee Revenue: If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts, local law enforcement agencies.

Information Sources:

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